

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Parcel Select  
Parcel Select Contract 8

Docket No. MC2015-1

Competitive Product Prices  
Parcel Select Contract 8 (MC2015-1)  
Negotiated Service Agreement

Docket No. CP2015-3

CHAIRMAN'S INFORMATION REQUEST NO. 1  
AND NOTICE OF FILING UNDER SEAL

(Issued October 24, 2014)

To clarify the Postal Service's request to add Parcel Select Contract 8 to the competitive product list,<sup>1</sup> the Commission requests the Postal Service provide written responses to the following questions. Questions 5—9 contain non-public information and are being filed under seal. Responses to all questions should be provided as soon as possible, but no later than October 29, 2014.

1. Paragraph I.E.3 of the contract states that a type of "PPMOD" DSCF volume counts "toward achievement of a volume threshold." Please explain what is meant by "PPMOD" DSCF volume, and how this volume is different from the DSCF volumes described in Paragraph I.B of the contract.
2. Paragraph I.E.4 of the contract states that the Customer shall pay Tier 2 prices from the effective date until the end of Quarter 1. Quarter 1 is defined by Paragraph I.E.2 as October 1-December 31. After the end of Quarter 1, the

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<sup>1</sup> Request of the United States Postal Service to Add Parcel Select Contract 8 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, October 21, 2014 (Request).

“Customer will change prices based on the tier structure and the volume amounts . . . based on the previous four Contract Quarters’ volume.” For this question, assume the contract has an effective date of October 31, 2014.

- a. Please confirm that Quarter 1 of the contract will run from October 1, 2015 to December 31, 2015. If not confirmed, please explain.
  - b. Please confirm that from October 31, 2014 until December 31, 2015, the customer will pay Tier 2 prices. If not confirmed, please explain.
3. Paragraph I.E.5 of the contract describes “contract year” prices after the first year. Contract years are defined in Paragraph I.E.2 as the one-year period from the contract’s effective date. However, Paragraph I.E.6 of the contract implies that contract prices will change quarterly based on the previous four Contract Quarters’ volume. Please explain whether price changes will be calculated on a quarterly or annual basis after the first contract year, and clarify the dates on which prices will change. If necessary, please file an amendment to the contract.
  4. Paragraph I.J of the contract states that the “[c]ustomer will pay any published additional fees or surcharges, if any, associated with Parcel Select DDU & DSCF as published in the Domestic Mail Manual.” Please describe any applicable additional fees or surcharges currently associated with Parcel Select DDU & DSCF published in the Domestic Mail Manual, and clarify whether the fees and surcharges have been included in the financial model. If the additional fees and surcharges have not been included in the financial model, please file revised workpapers accounting for the fees and surcharges.
  5. Please see Attachment A, filed under seal.
  6. Please see Attachment A, filed under seal.

7. Please see Attachment A, filed under seal.
8. Please see Attachment A, filed under seal.
9. Please see Attachment A, filed under seal.

By the Chairman.

Ruth Y. Goldway